
225.80**Participant Violations and Sanctions****Overview**

Introduction Participant compliance with program regulations is essential to maintaining the financial and nutritional integrity of the program. Thorough education concerning the reasons for particular rules is the most effective means to ensure this compliance. However, it is also necessary to have an enforcement mechanism. This policy explains participant violations and sanctions.

Definition Participant violation means any intentional act of a participant, parent or caretaker of an infant or child participant, or proxy that violates Federal or State statutes, regulations, policies, or procedures governing the WIC Program. This includes:

- Intentionally making false or misleading statements or intentionally misrepresenting, concealing or withholding facts to obtain benefits;
- Exchanging food instruments or supplemental foods for cash, credit, no-food items, or unauthorized food items, including supplemental foods in excess of those listed **in the participant's food benefits**;
- Threatening to harm or physically harming clinic, farmer or vendor staff; and
- Dual participation.

Summary of sanctions A participant who violates WIC Program regulations receives a notice explaining the nature of the violation. Violations have different point values. The accumulation of a certain number of violation points will result in disqualification from the program with restitution required in some cases.

In this policy This policy contains the following topics.

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Authority This policy is based on Chapter 73 of the Iowa Administrative Code.

Assessing Violation Points

Detecting violations

Violations may be detected by contract agency staff, by vendors, or by staff of the state WIC office. Information obtained by the state WIC office is forwarded to the contract agency for appropriate action.

Schedule of violations

Violations of program regulations are assigned point values according to the following schedule.

Violation	Points
1. Attempting to purchase unauthorized brands/types of foods (i.e., incorrect brands of cereal, juices, etc.)	3
2. Attempting to cash food instruments outside of valid dates	4
3. Attempting to redeem WIC food instrument at an unauthorized vendor	4
4. Redeeming WIC food instruments that were reported as lost or stolen	5
5. Attempting to purchase more than the quantity of foods specified in the food benefits	5
6. Verbal abuse or harassment of WIC or vendor employees	5
7. Verbal abuse or harassment on social media	5
8. Threat of physical abuse of WIC or vendor employees	10
9. Threat of physical abuse of WIC or vendor employees on social media	10
10. Attempting to sell, return, or exchange foods for cash or credit	10
11. Attempting to purchase unauthorized (non-WIC) foods, such as meat, canned goods, etc.	10
12. Attempting to purchase items that are not food	10
13. Sale or exchange of WIC food instruments for cash or credit or giving away WIC foods	10
14. Attempting to redeem food instrument issued to another participant	10
15. Receiving more than one set of benefits for the same time period	10
16. Knowing and deliberate misrepresentation of circumstances to obtain benefits (resulting in a false determination of eligibility)	10
17. Attempting to steal WIC food instruments from a contract agency or participant	10
18. Physical abuse of WIC or vendor employee	10
19. Attempting to pick up food instruments for a child that is not currently in their care	10

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Assessing Violation Points, Continued

Single or multiple violations

Record a single violation if the participant violates the same regulation on multiple food instruments redeemed at the same time.

Record multiple violations if the participant violates more than one regulation at the same time.

Examples

Single violation

If the participant attempts to purchase more than the quantity of foods specified in the food benefits, issue 5 points not 10.

Multiple violations

If the participant attempts to purchase an unauthorized brand of cereal, and verbally abuses a vendor employee who refuses to allow the purchase, assess three points for the attempted purchase and five points for the verbal abuse.

Subsequent violations

Violation points are cumulative. However, do not charge a participant for committing a second violation when:

- The second violation occurs before the participant receives notice of the first violation, **and**
- The second violation is the same as the first, **and**
- The violation is worth five points or less.

A participant who commits a second violation worth more than five points during this time is subject to disqualification.

Example

Do not record a second violation if the participant attempted to purchase an unauthorized brand of cereal on one visit to the store, and then repeated the attempt on a second visit before receiving notice of the first violation.

Notifying Participant of Violation

Introduction Use the **Notice of Program Violation** (see Policy 225.80A) to notify the participant of violations. This notice provides a warning about the violation.

Notifying the participant Whenever possible, counsel the participant in person about the violation. However, you may mail the notice of violation when hand delivery is impractical.

Procedure Follow these steps in the WIC data system to provide notice of program violations.

Step	Action
1	On the violations grid, record one or more program violations.
2	On the sanctions grid, record a start date and end date that complies with policy and select a sanction type.
3	Record any additional notes that would be helpful to other staff. <u>Note:</u> Education and verbal warnings must be documented in the data system when they are provided in lieu of assigning violation points.
4	Select the checkbox “Return to local agency” checkbox to ensure a return address is printed on the notice.
5	If you issue the notice in person: Ask the parent/guardian/participant to electronically sign acknowledging receipt of the notice, and Print a copy and give to the parent/guardian/participant. <u>Note:</u> If the participant refuses to sign, select “Refused” for the signature capture reason.
6	If you mail the notice: Select “mailed” for the signature capture reason, Write “ <i>Mailed</i> ” on the parent/guardian/participant signature line, Mail the notice to the parent/guardian/participant “return receipt requested,” and Record notes about any returned mail in the comments field of the violations section the WIC data system.

Disqualifications

Introduction Use the Notice of Disqualification (see Policy 225.80B) to notify the participant of disqualification.

Actions resulting in disqualification The table below lists the point totals and specific violations that result in disqualification and the relevant disqualification period.

IF the participant ...	THEN disqualify for ...
Accumulates 10 points in a 12-month period	Two months
Accumulates 10 more points in the next 12 months	Three months
Is participating in more than one WIC program (dual participation)*	One year
Has a violation with a monetary claim of \geq \$100*	One year
Has a second monetary claim in any amount*	One year

*These are mandatory disqualifications.

Disqualification based on point totals may be waived for some family members Disqualifications for accumulating 10 violation points generally apply to all members of a family receiving program benefits. However, a CPA may waive the disqualification for one or more members of the family if it is determined that a serious health risk may result from disqualification. The reason for the waiver must be recorded in the **comments** field in the **sanctions** section of the WIC data system.

Exceptions to mandatory disqualification The state office may decide not to impose a mandatory disqualification if a family makes full restitution for a monetary claim, establishes a repayment schedule within 30 days of restitution notice, and designates a proxy to receive checks for a minor (if this is appropriate). In this situation, the state office will notify the local agency who will then notify the participant about their right to reapply.

Notifying the participant The participant must:

- Receive notice at least 15 days before disqualification, and
- Be informed of the following:
 - The reason for disqualification,
 - The right to appeal the decision through the fair hearing process, and
 - Their eligibility to reapply for the program at the end of the disqualification period.

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Disqualifications, Continued

Procedure

Follow these steps in the WIC data system to provide notice of program disqualification.

Step	Action
1	On the violations grid, record one or more program violations.
2	On the sanctions grid, record a start date and end date that complies with policy and select the sanction type, "disqualify".
3	If the selected start date is today, the "disqualify button" will be enabled and the participant WIC status will be changed to "disqualified" today.
4	If the start date is in the future, the "disqualify button" is not available and the data system will run a batch process that will change the participant's status to "disqualified" when the start date is reached.
6	Select the "Return to Local Agency" checkbox to ensure a return address is printed on the notice.
7	<p>If you issue the notice in person: Ask the parent/guardian/participant to electronically sign acknowledging receipt of the notice, and Print a copy and give to the parent/guardian/participant.</p> <p><u>Note:</u> If the participant refuses to sign, select "Refused" for the signature capture reason.</p>
8	<p>If you mail the notice: Select "mailed" for the signature capture reason, Write "Mailed" on the parent/guardian/participant signature line, Mail the notice to the parent/guardian/participant "return receipt requested," and Record notes about any returned mail in the comments field of the violations section the WIC data system.</p>
9	Write an alert stating the beginning and ending dates of the disqualification period. The disqualified participant cannot reapply for services until after ending date. Benefits must be recalculated when the disqualification becomes effective to remove the issuance from the eWIC card.
10	Issue the last month of benefits (if not already claimed).
11	Repeat the steps above for each family member being disqualified.

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Disqualifications, Continued

Recalculation of benefits

When the disqualification becomes effective, the recalculate benefits function must be completed for the disqualified participant(s) to prevent the purchase of WIC foods.

- On the food issuance panel, select “Recalculate”.
- When the benefits are displayed, clear the check boxes for the participant(s) issuance periods where food benefits are not allowed.
- Click “Issue Benefits” and the system will rewrite the food benefits issuance minus the benefits of the check boxes that were cleared.

Appeals and benefits

If a disqualified participant appeals a mid-certification decision within 15 days, the participant will be reinstated and continue to receive benefits during the local agency appeal process as long as required certification appointments are kept. If the local agency decision is upheld, a disqualified applicant shall not receive benefits while an appeal to the state WIC office is pending.

Follow the steps in the table to reinstate the participant:

Step	Action
1	Open the alert, add a note stating the date that the appeal was received, then Close.
2	Follow your local agency procedure for documenting a reminder to reinstate the participant. You cannot reinstate the participant until they have been changed to Terminated status by the batch job.
3.	When you reinstate the participant, select the reason, Appealed within 15 days.
4	<p>If the disqualification period crossed into a new month and the participant missed their regular clinic to claim benefits before they could be reinstated in Focus, the local agency may issue benefits to the family.</p> <p><u>Example:</u> Notice was given 10/20 with an effective date = 11/4. The earliest date the participant can be reinstated is 11/5. If the participant’s usual appointment falls between 11/1 and 11/4, the local agency could issue benefits.</p>

Referral to law enforcement

When appropriate (e.g., theft of WIC benefits by a participant or proxy) the local agency should refer the action to local law enforcement officials for prosecution under applicable statutes.

Restitution

Introduction	Use the Notice of Restitution & Disqualification from the Iowa WIC Program (see Policy 225.80C) to request repayment of benefits and provide notice of disqualification.
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Policy	<p>A participant who improperly received benefits as a result of intentionally making a false or misleading statement, or intentionally misrepresenting, concealing, or withholding facts, is disqualified from the program and asked to make restitution of the cash value of the improperly used food instruments.</p> <p><u>Note:</u> Disqualify only the individuals found eligible due to the misrepresentation.</p>
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Local agency procedure	<p>The only differences in the procedure when restitution is requested include:</p> <ul style="list-style-type: none"> • The notice that is printed • The number of copies needed of the notice, and • The notice is located on WIC web portal and not within the WIC data system.
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The table below summarizes the procedure regarding the printing and distribution of the Notices of Restitution & Disqualification.

Step	Action
1	Print <u>three</u> copies of the Notice of Restitution & Disqualification and: Fill in the dates, List the serial numbers of the used FIs and their dollar value, and Record the total amount due to the department.
2	<p>If you issue the notice in person: Ask the parent/guardian/participant to sign one copy, <u>Scan the signed copy into the WIC data system,</u> Give one unsigned copy to the parent/guardian/participant, and Send the third copy to the state office vendor management staff.</p> <p><u>Note:</u> If the participant refuses to sign, note that on the form.</p>
3	<p>If you mail the notice: Write "<u>Mailed</u>" on the parent/guardian/participant signature line, <u>Scan the copy in the WIC data system,</u> Mail a copy to parent/guardian/participant "<u>Return receipt requested,</u>" Send the third copy to the state office vendor management staff, and Record notes about any returned mail from the parent/guardian/participant in the notes field of the violations section in the WIC data system.</p>

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Restitution, Continued

**State office
procedure**

If payment has not been received by 20 days after the notice was issued, the vendor management staff will pursue payment if determined cost-effective by the Department of Inspections and Appeals.

**Appeals and
collection
efforts**

If an appeal is filed with the contract agency, collection efforts are suspended pending outcome of the appeal. If repayment of benefits is upheld, efforts to collect the claim are resumed even during the process of appealing the local decision to the state WIC office.

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